

STATE OF WISCONSIN

Senate Journal

Ninety–Eighth Regular Session

WEDNESDAY, October 8, 2008

The Chief Clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Department of Administration
Department Of Natural Resources

September 26, 2008

The Honorable, The Senate:

Attached to this letter is the Environmental Improvement Fund Biennial Finance plan for the 2009–2011 biennium.

Environmental Improvement Fund program legislation (s.28159(3), Wis Stats.) requires the Department of Natural Resources and the Department of Administration to submit the first version of the Biennial Finance Plan to the Legislature and to the State Building Commission. The purpose of the plan is to provide information on loan, loan subsidy, and bonding levels for program operations in the 2009–2011 biennium.

If you have any questions regarding the Biennial Finance Plan, please contact Robert Ranharter at 266–3915 or Michael Wolff at 267–2734.

Sincerely,
FRANK R. HOADLEY
Capital Finance Director
Department of Administration

DEBRA K. MARTINELLI
Bureau Director, Bureau of Community Financial Assistance
Department of Natural Resources

Referred to the committee on **Environment and Natural Resources**.

State of Wisconsin
Department of Administration

September 30, 2008

The Honorable, The Legislature:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of August 2008.

On August 6, 2008, the General Fund cash balance closed at a negative \$74.3 million (its intra-month low). This negative balance continued through August 11, 2008, when the fund's cash balance closed at a positive \$34.4 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On August 20, 2008, the Utility Public Benefits Fund cash balance closed at a negative \$2.6 million. This negative balance continued through August 31, 2008, when the fund's cash balance closed at a negative \$2.7 million (its intra-month low). The negative balance was due to a delayed cash transfer.

On August 1, 2008, the Injured Patients and Families Compensation Fund cash balance closed at a negative \$153.1 million (its intra-month low). This negative balance continued through August 31, 2008, when the fund's cash balance closed at a negative \$140.7 million. The negative balance was due to the transfer of \$200 million to the Medical Assistance Trust Fund per [2007 Wisconsin Act 20](#), and the pending liquidation of fund securities necessary to offset this shortfall.

On August 1, 2008, the University Trust Fund – Principal cash balance closed at a negative \$4.3 million (its intra-month low). This negative balance continued through August 13, 2008, when the fund's cash balance closed at a positive \$6.3 million. The negative balance was due to an accounting error that was corrected in August.

The General Fund, Utility Public Benefits Fund, Injured Patients and Families Compensation Fund, and University Trust Fund – Principal shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority and, as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,
MICHAEL L. MORGAN
Secretary

Referred to the joint committee on **Finance**.

State of Wisconsin
Department of Health Services

October 1, 2008

The Honorable, The Senate:

The Department of Health Services operates BadgerCare under section 49.665 of the Wisconsin Statutes. Under this

section of the statutes the Wisconsin Legislature requires the Department to submit a report summarizing the BadgerCare program and its progress. This submission fulfills that legislative requirement.

BadgerCare was established under the terms of the federal State Children's Health Insurance Program (SCHIP) enacted through the federal budget of 1997. The SCHIP program provided states with the options of creating a new independent program to insure children or to expand the state's existing Medicaid program. The Wisconsin Legislature created BadgerCare as an SCHIP Medicaid expansion program under [1997 WI Act 27](#).

The Department implemented BadgerCare Plus in February 2008 as authorized under section 49.471. BadgerCare Plus merges Family Medicaid, BadgerCare, and Healthy Start to form a comprehensive health insurance program for low income children and families to help ensure that 98% of Wisconsin's citizens have access to health care. The program provides coverage for more members while simplifying the program and promoting prevention and healthy behaviors.

Enrollment and expenditure data, reported below for SFY 08, shows both BadgerCare and BadgerCare Plus programs separately. Enrollment simplification implemented with BadgerCare Plus makes it difficult to identify BadgerCare Plus members made eligible under the enrollment rules of BadgerCare. Thus the department has determined that data on all BadgerCare Plus members, beginning February 2008, is pertinent information for this report.

Attached is a chart showing the total enrollment and expenditures in BadgerCare and BadgerCare Plus by state fiscal year. BadgerCare began enrolling residents in February 1999; BadgerCare Plus began enrollment in February 2008. BadgerCare enrollment is reported as of January 2008 and expenditures are reported through January 31, 2008. BadgerCare plus enrollment is reported as of June 2008 and total claims expenditures are reported for February 1, 2008 through June 30, 2008.

BadgerCare leverages significant amounts of federal funding for health care coverage of eligible Wisconsin residents.

Wisconsin is leading the nation in streamlining health care eligibility by making BadgerCare Plus more efficient and less costly to administer. We look forward to keeping Wisconsin on the cutting edge of quality and efficient health care coverage for those in need.

Sincerely,
JASON A. HELGERSON
Medicaid Director

**State of Wisconsin
Legislative Audit Bureau**

October 2, 2008

The Honorable, The Legislature:

We have completed a review of the Department of Administration's (DOA's) oversight of a contract for print and mail staffing services, which we initiated in response to a complaint reported on the fraud, waste, and mismanagement hotline established by [2007 Wisconsin Act 126](#).

The complaint alleged that DOA was not exercising adequate oversight of contract staff provided by Spherion Corporation, whose employees filled 34.0 of 58.0 full-time

equivalent positions in DOA's Bureau of Publishing and Distribution as of June 2008. We did not substantiate any allegations related to workplace safety concerns, a hostile work environment, and fraudulent time recording by contract staff. However, our report includes both a recommendation for DOA to recalculate its cost-benefit analysis related to print and mail service staffing and several strategies to better control state costs associated with DOA's print and mail services.

In fiscal year (FY) 2007-08, DOA spent \$20.4 million on print and mail services, including \$1.7 million paid to Spherion for staffing services. The current contract with Spherion will expire on June 30, 2009, and DOA has begun preparations to solicit bids in October or November 2008. Using a cost-benefit model developed by DOA, we estimate that as much as \$616,500 could be saved in the five-year period from FY2009-10 through FY 2013-2014 if state staff filled all print and mail positions currently filled by contract staff. However, contract costs will be difficult to estimate until DOA has received vendors' bids, and the actual cost of adding state staff is difficult to estimate because of the uncertainty of future salary, fringe benefit, and recruiting costs.

If DOA chooses to continue to contract for some or all print and mail staff in the future, we recommend formalizing billing procedures for supervisory staff, prohibiting the contractor from billing for time new contract staff are trained in the operation of printing and other equipment, and including in the contract standard provisions to impose damages if confidential information is disclosed.

We appreciate the courtesy and cooperation extended to us by DOA and Spherion in conducting this review.

Sincerely,
JANICE MUELLER
State Auditor

**State of Wisconsin
Legislative Audit Bureau**

October 8, 2008

The Honorable, The Legislature:

We have completed financial audits of Mendota and Winnebago Mental Health Institutes for the period July 1, 2006, through June 30, 2007. The audits were requested by the Department of Health Services (formerly the Department of Health and Family Services) to comply with requirements of the Joint Commission on Accreditation of Healthcare Organizations. We were able to express an unqualified opinion on each Institute's financial statements.

Mendota and Winnebago Mental Health Institutes are licensed and accredited hospitals that provide specialized diagnostic, evaluation, and treatment services for mentally ill children and adults. The Institutes also provide services to forensic patients referred to them through the criminal justice system. The Institutes are funded through a mix of general purpose revenue and program revenue.

In FY 2006-07, each Institute reported an operating loss of \$3.7 million, in part because operating expenses increased at a faster pace than operating revenues. Salaries and fringe benefit expenses, which were the largest expenditure category at each Institute, increased by \$5.7 million at Mendota and \$3.5 million at Winnebago. To help address the Institutes' operating losses, the Department increased daily patient rates by 9.5 percent at each Institute effective on October 15, 2007, and approved increases of 9.5 percent at Mendota and 11 percent at Winnebago to be effective October 12, 2008.

Mendota's overall net assets increased by \$1.5 million, while Winnebago's declined by \$2.6 million for FY 2006–07. Mendota's increase in net assets is primarily attributable to proceeds from the sale of general purpose revenue-funded bonds, which it received to install equipment to reduce air pollution at the power plant it operates.

We continued to monitor the status of prior-year concerns related to the administration of approximately \$476,000 in client funds by the Program of Assertive Community Treatment, and outpatient unit of Mendota. In our Report on Internal Control and Compliance, we report that the Department has taken some steps to improve controls subsequent to our audit period. However, we still noted concerns during FY 2006–07.

We appreciate the courtesy and cooperation extended to us by Department of Health Services staff during our audit. A response from the Department follows our report.

Respectfully Submitted,
JANICE MUELLER
State Auditor

ADVICE AND CONSENT OF THE SENATE

State of Wisconsin
Office of the Governor

October 8, 2009

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint CHANG, MAYTONG, of Milwaukee, as a member of the Council on Domestic Abuse, to serve for the term ending July 1, 2011.

Respectfully Submitted,
JIM DOYLE
Governor

Read and referred to committee on **Judiciary, Corrections, and Housing.**

REFERRALS AND RECEIPT OF COMMITTEE REPORTS CONCERNING PROPOSED ADMINISTRATIVE RULES

The committee on **Health, Human Services, Insurance, and Job Creation** reports and recommends:

Senate Clearinghouse Rule 08–042

Relating to certification of programs for training and testing nurse assistants, home health aides, and hospice aides.

No action taken.

Senate Clearinghouse Rule 08–050

Relating to occupational therapist supervision of occupational therapy assistants.

No action taken.

JON ERPENBACH
Chairperson

The committee on **Public Health, Senior Issues, Long Term Care and Privacy** reports and recommends:

Senate Clearinghouse Rule 07–095

Relating to community-based residential facilities, and affecting small businesses.

No action taken.

Senate Clearinghouse Rule 08–073

Relating to creating and increasing fees for tattooing and body piercing establishments, recreational and educational camps, campgrounds, hotels, motels, and tourist rooming houses, restaurants, bed and breakfast establishments, vending of food, and affecting small businesses.

No action taken.

TIM CARPENTER
Chairperson

Motions Under Senate Rule 98 and Joint Rule 7 for the Month of September 2008

A certificate of congratulations by the Wisconsin Legislature on the motion of Senator Jauch, for Neil Robert Baltes, on the occasion of earning and attaining the rank of the Eagle Scout Award.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Risser, for Shirley Brill, on the occasion of celebrating her 85th Birthday.

A certificate of commendation by the Wisconsin Legislature on the motion of Senator Darling, for Andrew Petzold and Concord Development Company, on the occasion of receiving the Mequon Theinsville Rotary Business of the Year Award.

A certificate of commendation by the Wisconsin Legislature on the motion of Senator Harsdorf, for Mr. Ryan Core, on the occasion of earning and attaining the rank of the Eagle Scout Award.

A certificate of commendation by the Wisconsin Legislature on the motion of Senator Darling, for Russell M. Darrow, Jr., on the occasion of being honored with the Potawatomi Area Council and the Milwaukee County Council of the Boy Scouts of America's Distinguished Citizen Award.

A certificate of commendation by the Wisconsin Senate on the motion of Senator Hansen, for Household Hazardous Waste, on the occasion of recognizing October 6, 2008 as the beginning of Household Hazardous Waste Week in Wisconsin.

A certificate of commendation by the Wisconsin Legislature on the motion of Senator Jauch, for Allen and Linda Hustad, on the occasion of their centennial celebration of the Hustad Sugarbush, producers of Maple Syrup.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Taylor, for Reverend (Dr.) Mary Jean Lewis-Jiles, on the occasion of celebrating her Birthday shared with family & friends.

A certificate of congratulations by the Wisconsin Legislature on the motion of Senator Darling, for Mary Tucker Kellner, on the occasion of being the recipient of the 2008 JLM Sustainer of the Year Award.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Schultz, for Richard Klawiter, on the occasion of his retirement after 36 years of dedicated service to UW–Platteville.

A certificate of commendation by the Wisconsin Senate on the motion of Senator Hansen, for the family and friends of Sharon L. Koehn, on the occasion of extending our deepest sympathies.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Kanavas, for Matt Krueger, on the occasion of being a member of the Hilltoppers baseball team that won the WIAA summer baseball championship.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Taylor, for Latter Rain Devine F.G. Multi Cultural Ministries and Pastor Debra Renee Prophet, on the occasion of growing together and securing a permanent church home.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Taylor, for the Majestic Community Choir, its President Willie Hart and the Minister of Music Joe V. Nathaniel, Jr. on the occasion of celebrating their 30th anniversary.

A certificate of commendation by the Wisconsin Legislature on the motion of Senator Darling, for Daniel F. "Jack" McKeithan, on the occasion of being honored with the Potawatomi Area Council and the Milwaukee County Council of the Boy Scouts of America's Distinguished Citizen Award.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Kanavas, for William A. Mitchell II, on the occasion of earning and attaining the rank of the Eagle Scout Award.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Taylor, for Joe V. Nathaniel, Jr, on the occasion of his selfless contributions both to the Majestic Community Choir and the entire Milwaukee Community.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Kanavas, for Lucas R. Quadracci, on the

occasion of earning and attaining the rank of the Eagle Scout Award.

A certificate of commendation by the Wisconsin Legislature on the motion of Senator Darling, for William Rausch, on the occasion of receiving the Mequon Theinsville Chamber of Commerce Distinguished Service Award.

A certificate of commendation by the Wisconsin Senate on the motion of Senator Risser, for Trevor Schessler, on the occasion of earning and attaining the rank of the Eagle Scout Award.

A certificate of commendation by the Wisconsin Senate on the motion of Senator Lasee, for Tom Skilling, on the occasion of celebrating his 30th Anniversary as a broadcast meteorologist with WGN-TV.

A certificate of congratulations by the Wisconsin Senate on the motion of Senator Taylor, for the St. Martin's Episcopal Church of Brown Deer, on the occasion of celebrating its 50th Anniversary.

A certificate of commendation by the Wisconsin Senate on the motion of Senator Lasee, for the Taipei Economic and Cultural Office in Chicago, on the occasion of celebrating the 97th National Day of the Republic of China (Taiwan).

A certificate of commendation by the Wisconsin Senate on the motion of Senator Taylor, for the members of the Wisconsin Association on Alcohol and other Drug Abuse and the Alliance for Recovery Advocates, on the occasion of their tireless work, and those persons who share their stories in a successful Rally for Recovery.